



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**VIA FACSIMILE AND U.S. MAIL**

Jill Holtzman Vogel  
Holtzman Vogel PLLC  
98 Alexandria Pike  
Suite 53  
Warrenton, VA 20186

DEC 20 2006

RE: MUR5678  
Bully! PAC and Nancy Schafer,  
in her official capacity as treasurer

Dear Ms. Holtzman Vogel:

On August 24, 2005, the Federal Election Commission (the "Commission") notified Bully! PAC and Nancy Schafer, in her official capacity as treasurer (the "Committee"), of a complaint alleging that the Committee violated the Federal Election Campaign Act of 1971, as amended (the "Act"), and provided your clients with a copy of the complaint.

After reviewing the allegations contained in the complaint, your clients' response, and publicly available information, the Commission on December 12, 2006 found reason to believe that Bully! PAC and Nancy Schafer, in her official capacity as treasurer, violated 2 U.S.C. § 441a(a) by making an excessive in-kind contribution to Liffbrig for Senate. Enclosed is the Factual and Legal Analysis that sets forth the basis for the Commission's determination.

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In the meantime, this matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. We look forward to your response.

Sincerely,



Michael E. Toner  
Chairman

Enclosures

Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Bully PAC and Nancy Schafer  
in her official capacity as treasurer

**MUR:** 5678

**I. INTRODUCTION**

This matter was generated by a complaint filed with the Federal Election Commission by Renee Pfenning. *See* 2 U.S.C. § 437g(a)(1).

**II. FACTUAL AND LEGAL ANALYSIS**

On December 15, 2004, Bully PAC, a political committee, made a \$6,000 in-kind contribution to Liffriq for Senate, the authorized committee for Michael Liffriq's unsuccessful bid to unseat Sen. Byron Dorgan as U.S. Senator for North Dakota in 2004, by giving \$6,000 to Newman Signs, Inc., in partial payment of the outstanding balance owed by Liffriq for Senate for billboard rentals. This was the only contribution made by Bully PAC during the 2004 election cycle.

On March 9, 2005, the Federal Election Commission's Reports Analysis Division informed Bully PAC that its \$6,000 in-kind contribution to Liffriq for Senate may have been excessive. Bully PAC responded on April 5, 2005 by requesting that Liffriq for Senate refund the excessive portion of the contribution, or \$4,000. Liffriq for Senate has yet to make the requested \$4,000 refund to Bully PAC.

In 2004, political committees could contribute up to \$2,000 to a candidate committee per election. *See* 2 U.S.C. § 441a(a)(1). This limit increased to \$5,000 per candidate committee per election in the case of a qualified multicandidate committee. A multicandidate committee is a non-connected political committee that has received contributions from at least fifty-one persons, has been registered with the FEC for at least six months, and contributed to at least five federal

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candidates. *See* 2 U.S.C. § 441a(a)(2); 11 C.F.R. § 100.5(e)(3). At the time Bully PAC made the contribution, it did not qualify as a multicandidate committee and therefore could contribute no more than \$2,000 to Liffbrig for Senate.

### III. CONCLUSION

Based on the aforementioned facts, there is reason to believe that Bully PAC and Nancy Schafer, in her official capacity as treasurer, violated 2 U.S.C. § 441a(a).

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